

# Banking

December 19, 2018

Follow this and additional works at: <https://digitalcommons.georgiasouthern.edu/pub-history-documents>

---

## Recommended Citation

"Banking" (2018). *Bulloch County Papers*. 16.  
<https://digitalcommons.georgiasouthern.edu/pub-history-documents/16>

This article is brought to you for free and open access by the Statesboro-Bulloch County Library Public History Files at Digital Commons@Georgia Southern. It has been accepted for inclusion in Bulloch County Papers by an authorized administrator of Digital Commons@Georgia Southern. For more information, please contact [digitalcommons@georgiasouthern.edu](mailto:digitalcommons@georgiasouthern.edu).

## **Banking Contents Listing**

1. Bank of the State of Georgia opens, \$1.5 million in assets – Statesboro Herald  
Article 2015
2. First bank opens in nation, puts branch in Savannah – Statesboro Herald Article  
2015
3. First Boro bank opened in 1891 (Copy in Banks-Bulloch County Bank) –  
Statesboro Herald Article 2010

# Bank of the State of Georgia opens, \$1.5 million in assets

*Note: The following is part of a series of articles looking at the establishment and evolution of the banking system in Georgia and Bulloch County.*

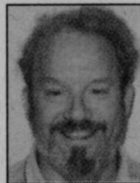
Georgia's first "state" bank was chartered as the Bank of the State of Georgia. As of December of 1815, when the bank was chartered, the state controlled 6,000 of the bank's 15,000 total shares.

At first, the bank had nine directors appointed by the stockholders and six directors appointed by the

state. In 1828, it amended its charter, giving the stockholders six directors and the State of Georgia four.

With \$1.5 million dollars in assets, the Bank of the State of Georgia opened branches in Athens, Augusta, Eatonton, Greensboro, Milledgeville and Washington, with agencies in Griffin and Macon.

In a curious case that went before the Supreme Court of the United States in 1825, the Bank of the State of Georgia was accused of presenting a substantial number of altered First



Bulloch  
History

Roger Allen

Bank of the United States notes to the national bank to pay its debts.

It was found that \$5 bills had become \$50 bills, and \$10 bills became \$100 bills. The local circuit court ruled that the Bank of the State of Georgia did not have to pay the US bank the difference

in the bills' real and altered values.

The federal bank, not surprisingly, appealed to the Supreme Court. The Supreme Court decided, in simple terms, the bank should have known right away that these bank notes were altered rather than realizing it 19 days later. Case closed.

## Georgia's Bank of Darien

The next bank in Georgia was the Bank of Darien, which was char-

tered Dec. 15, 1818. The State of Georgia owned half of the bank's 10,000 shares and appointed five of the bank's 10 directors.

The governor of Georgia was ordered to deposit \$200,000 in the Bank of Darien: half for the establishment of "free schools" and half for the improvement of "internal navigation" — that is, inland rivers — in the state.

After Georgia's Central Bank was established in 1828, the Bank of

Darien's charter was amended to allow for the state's withdrawal of its funds, if needed.

The demise of the Bank of Darien came after it was revealed its directors had speculated unwisely in cotton futures. In response, all state assets were moved to the Central Bank.

*Roger Allen is a local lover of history. Allen provides a brief look each week at the area's past. Email Roger at [rwasr1953@gmail.com](mailto:rwasr1953@gmail.com).*

# First bank opens in nation, puts branch in Savannah

*Note: The following is part of a series of articles looking at the establishment and evolution of the banking system in Georgia and Bulloch County.*

In 1791, President George Washington signed the charter creating the First Bank of the United States. The bank was 80 percent privately owned and 20 percent was owned by the federal government.

In essence, this was the nation's first Initial Public Offering. Bank of United States "scrip" sold for \$25 each. Highly sought after, the "scrip" soon doubled in price.

Headquartered in Philadelphia, eight offices of the bank were estab-

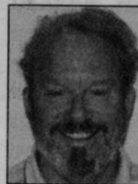
lished, most in port cities where the Treasury Department collected tax revenues from customs duties.

Bank of the United States opened its Savannah branch office on the corners of Julian and Drayton Streets in 1802.

## William Henry Crawford

When the Bank of the United States charter renewal was being debated in the U.S. Senate, Senator William Harris Crawford of Georgia rose and gave the speech of his life in favor of the banks re-chartering in 1811.

Crawford told his fellow senators to discount their fears that agents with



Bulloch History

Roger Allen

the bank had "sold the sovereignty of the United States to foreign capitalists," who now owned a majority of Bank of the United States shares.

He declared our nation's "finances have been, through the agency of this bank, skillfully and successfully managed ... the improvement of the country, and the prosperity of the nation, have been rapidly progressing."

He ended by asking, "Why, then, should we, at

this perilous and momentous crisis, abandon a well-tried system ... Come! ... sacrifice your pride and political resentments at the shrine of practical good."

The House voted against the re-chartering by a plurality of one: 65 to 64. The Senate vote on Feb. 20, 1811, ended in a tie: 17 to 17. Vice President George Clinton cast his tie-breaking vote against the Bank of the United States, which closed.

Crawford, interestingly, was chosen to serve as acting vice president of the U.S. after the death of Clinton in 1812. Crawford was also the only Georgian to run for the U.S. presidency (twice, unsuccessful-

ly) before Jimmy Carter.

## The Planters Bank

The first bank chartered in the State of Georgia was the Planters Bank of Savannah in 1807. A group of "prominent merchants, planters, professional men and tradesmen" obtained a charter from the legislature.

According to J.J. Knox's "History of Banking," the charter "did not meet a number of requirements of the projectors, and an organization was not then effected." In other words, it didn't actually open.

The first actual functioning bank in Georgia was the Bank of Augusta, chartered Dec. 6, 1810. Two weeks later, the

Planters Bank finally got around to opening. The Planters Bank amended its charter in 1828 to allow the State of Georgia (a part-owner) to appoint two bank directors in addition to the eight appointed by its stockholders.

The Planters Bank's decision to finance the building of the Savannah, Ogeechee and Altamaha Canal Company resulted in them seizing the failing company's assets in 1841 in what was called a "severe pecuniary embarrassment."

*Roger Allen is a local lover of history. Allen provides a brief look each week at the area's past. Email Roger at [rwasr1953@gmail.com](mailto:rwasr1953@gmail.com).*

Page 1-

B

Sunday  
February 7, 2010

# First Boro bank opened in 1891

*Note: The following is the sixth in a series on the origin of currency in the American colonies and Georgia.*

The first bank to open in Bulloch County, the Bank of Statesboro, was chartered in 1891 but didn't actually open until 1894. The president was J.L. Coleman, vice president W.C. Parker, and head cashier S.C. Groover.

The Bank of Statesboro set up shop inside the Simmons Building and then moved to the Sorrier & Brannen Building. It closed in 1932. The second bank to open was the Sea Island Bank in 1901.

It set up shop in the J.A. Brannen Building on the corner of Main & Main. Its officers were John F. and James A. Brannen, Franklin D. and Solomon F. Olliff, William Preetorius, Madison Holland, and Robert Donaldson.

The Sea Island Bank absorbed the defunct private-owned Bank of Bulloch in 1917, and then closed its doors in 1931 due to financial troubles. In order to reopen, the bank promised to return 20 percent of each customer's original investment.

The Sea Island Bank finally opened back up in 1933, after a delay due to the suspension of banking activities in the United States by the President Franklin Roosevelt. At this time, the bank moved to the Kennedy & Cone Building.

After a while, it moved again, this time to the Statesboro Mercantile Association Building. The third bank to open in Bulloch County was the First National Bank of Statesboro. It was located at first in the Simmons Building.

Once the old Sea Island Bank Building was available, the First National relocated there. Its president was Brooks Simmons, V.P. Edwin Groover, and head cashier J.E. McCroan.

The Bank of Statesboro absorbed the First National Bank and then closed it in 1932. The fourth bank, the Bulloch County Bank, opened its doors in April of 1934. It, in turn, took over the now defunct Bank of Statesboro.

It promised that each of the Bank of Statesboro's customers would get 50 percent of their deposits back. The Bulloch County Bank's president was S.W. Lewis, and the V.P.'s were R.J. Kennedy & J.L. Mathews.

The Liquidation Agent of the Bank of Statesboro, W.L. DeJarnette, became the head cashier of the Bulloch County Bank. The U.S. Congress established the First Federal Savings and Loan Association in 1933.

The local branch bank of the First Federal Savings and Loan Association opened in Bulloch County in 1936. Their assistant secretary, Mrs. Jessie Averitt, at first managed the banks' books from the

family business.

That was Averitt Brothers Auto Company. The bank first opened at the "In and Out Gas Station" on Main Street. After several years, the bank moved into the old Bank of Statesboro building.

The chairman of First Federal was S.W. Lewis, its president, Homer Smith, and its V.P. James B. Averitt. Their first savings customer was young Jerry Coleman, who received a \$25 check that he promptly deposited.

*Roger Allen is a local lover of history. Allen provides a brief look at Bulloch County's historical past. E-mail Roger at roger.dodger53@hotmail.com*